

# **Project GATE II**

# **Quarterly Progress Report**

***Growing America Through Entrepreneurship***

***Quarter 2, April 1 – June 30, 2009***

**Prepared by:**

Annie M. Welch  
Dislocated Worker Program  
Minnesota Dept. of Employment and Economic Development  
1<sup>st</sup> National Bank Building  
332 Minnesota Street, Suite E200  
Saint Paul, MN 55101

**AUGUST 2009**

## **Introduction**

Following closure of its second quarter in operation, Project GATE II has served 157 individuals as they progress through the five activity stages of the program (Table 1). Project GATE II had served 82 individuals during its first quarter and 55 individuals during its second, demonstrating a deceleration in enrollment during the second quarter. Launched on January 2, 2009, we anticipate continued enrollment and aspire for increased participation in the forthcoming two years.

Throughout the second operating quarter of Project GATE II, we have continued to encounter expected questions of clarification and availability of resources. We have worked to coordinate with the Dislocated Worker Program's Rapid Response team to ensure that eligible workers are learning about the program. We are working closely with Unemployment Insurance to better understand one another's role in this program, as the newly passed legislation ensures that Project GATE II participants remain eligible for unemployment insurance while in the program. We continue to answer questions as they surface, planning ahead while offering as much support as possible to current participants.

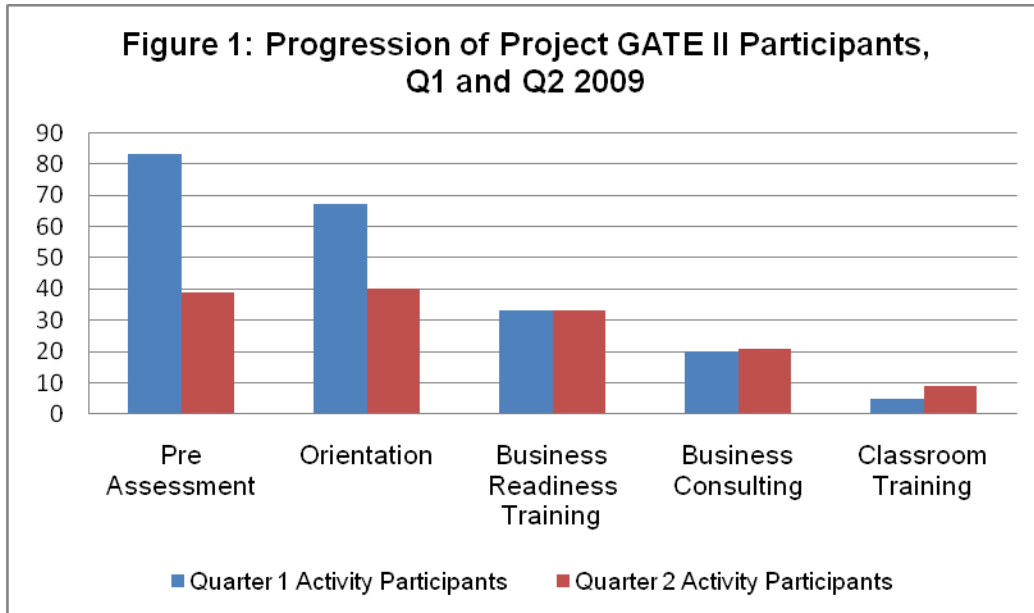
During its second quarter of operation, Minnesota's Project GATE II incurred \$76,614 in total expenses, as compared to the \$18,400 expended in the preceding quarter.

## **Services Provided**

Project GATE II served 55 Minnesotans in a total of 142 documented activities during the second quarter of 2009 (Table 1). Since its launching, 157 individuals have participated in 350 activities statewide. Fourteen individuals have already begun the final step in the Project GATE II Program: classroom training, nine of whom did so during the second quarter. One hundred and seven Project GATE II participants have attended the orientation, 66 have completed the business readiness assessment, 41 individuals have received business consulting services.

Dislocated Worker Program staff members are required to carefully track participants in Minnesota's Workforce One electronic client tracking system. Clients are tracked as they progress through the five Project GATE II activities. Initially there was some confusion among staff regarding how to specifically track each activity in the system; however, this confusion was resolved by increased service provider training and the creation of a counselor manual.

Geographically, many of those receiving Project GATE II services are in the Twin Cities metropolitan region. Hennepin-Carver Training and Employment Center has taken Rural MN CEP's place as the largest provider of services (Table 2). Four of the sixteen Workforce Service Areas did not enroll participants during the second quarter. WSA 4, Duluth Workforce Development, enrolled 2 new participants, while Northeast Minnesota did not enroll any new participants during the second quarter. We will continue to examine inconsistencies in enrollment and spending, as well as reaching out to those areas who have demonstrated no involvement to date.



In order to provide an accurate picture of Project GATE II, we document the number of activities performed in addition to the number of total participants. Because each participant may progress through more than one activity during a quarter, the activity report reflects duplicate participants. Thus, 350 activities were documented for a total of 157 total participants during its first two quarters in operation (Table 1, Figure 1).

**Table 1: Project GATE II Participation Summary, Quarters 1 and 2, 2009**

	Quarter 1		Quarter 2		Overall Total Activities	Overall Total Participants
	Participants in each activity*	Total Participants	Participants in each activity*	Total Participants		
Pre Assessment	83		39		122	
Orientation	67		40		107	
Business Readiness Training	33		33		66	
Business Consulting	20		21		41	
Classroom Training	5		9		14	
<b>Total</b>	<b>208</b>	<b>82</b>	<b>142</b>	<b>55</b>	<b>350</b>	<b>157</b>

\* Will include overlap as a single participant moves through each activity.

Data derived from MNOSOS, August 14, 2009.

As participants progress through Project GATE activities, we have seen a balancing distribution of participants over the five activities. We expect to see an increasingly even distribution as time passes (Table 1, Figure 1).

### Accomplishments

During the second quarter of 2009, DEED representatives have accomplished the following:

- Created and distributed a customer information sheet that will ease communication difficulties between Dislocated Worker Counselors and SBDC Consultants
- Met with Unemployment Insurance officials to establish a report sharing process

### Accomplishments (continued)

- Established a process wherein members of the Rapid Response team present preliminary information about Project GATE II, including contact information
- Worked to define business operation, determining program closure for participants
- Answered detailed questions from Dislocated Worker Counselors across the state
- Worked with providers to encourage an easy transition for clients between Dislocated Worker providers and Small Business Development Centers

**Table 2: Project GATE II Activity Report by number of individuals in each activity by WSA  
Q2 2009 - April 1, 2009 - June 30, 2009**

WSA	Pre-Assessment	Orientation	Business Readiness Assessment	Business Consulting	Classroom Training	Total Activities
WSA 2 Rural MN CEP, Inc.	3	2	2			7
WSA 4 Duluth Workforce Development	1	1				2
WSA 5 Central MN Jobs and Trainings	5	6	6	6		23
WSA 7 South Central Workforce Council	7	6				13
WSA 8 SE MN Workforce Development			1			1
WSA 9 Hennepin-Carver Training and Employment Center	8	9	7	5	4	33
WSA 10 Minneapolis Employment and Training	5	4	7			16
WSA 12 Anoka County Job Training Center	4	5	4	4	1	18
WSA 14 Dakota-Scott Workforce Services	3	3	1	2	3	12
WSA 15 Ramsey County Workforce Solutions	1	2	4	3	1	11
WSA 16 Washington County Workforce Center	1	1	1			3
WSA 18 Winona County Workforce Council	1	1	1			3
<b>Totals</b>	<b>39</b>	<b>40</b>	<b>34</b>	<b>20</b>	<b>9</b>	<b>142</b>

Source: MNOSOS Database, accessed August 14, 2009

**Table 3: Project GATE II Quarterly Financial Report, Quarters One and Two**

Item Description	Obligation Plan	Accrued Exp, Q1	Accrued Exp, Q2	Resources on Order	Total Obligation	Resources Obligated Total	Variance
Direct Pers. Service	26,000.00	0.00	296.38	0.00	296.38	296.38	25,703.62
<b>Total Pers. Service</b>	<b>26,000.00</b>	<b>0.00</b>	<b>351.41</b>	<b>0.00</b>	<b>351.41</b>	<b>351.41</b>	<b>25,648.59</b>
Personnel Benefits	9,100.00	0.00	110.71	0.00	110.71	110.71	8,989.29
<b>Total PS/PB</b>	<b>35,100.00</b>	<b>0.00</b>	<b>462.12</b>	<b>0.00</b>	<b>462.12</b>	<b>462.12</b>	<b>34,637.88</b>
Travel	3,000.00	1,437.08	1,437.25	0.00	1,437.25	1,437.25	1,562.75
Services	0.00	3,495.33	5,368.65	<b>0.00</b>	<b>5,368.65</b>	<b>5,368.65</b>	<b>(5,368.65)</b>
Other	19,900.00	0.00	0.18	0.00	0.18	0.18	19,899.82
<b>Total NPS</b>	<b>22,900.00</b>	<b>4,932.41</b>	<b>6,824.54</b>	<b>0.00</b>	<b>6,824.54</b>	<b>6,824.54</b>	<b>16,075.46</b>
<b>Total Operating Cost</b>	<b>58,000.00</b>	<b>4,932.41</b>	<b>7,286.66</b>	<b>0.00</b>	<b>7,286.66</b>	<b>7,286.66</b>	<b>50,713.34</b>
Subgrant Admin Services Related Costs	0.00	579.85	1,679.53	1,785.15	1,679.53	3,464.68	(3,464.68)
Grants	1,942,000.00	0.00	23,746.25	510,100.00	23,746.25	533,846.25	1,408,153.75
<b>Total Subgrants</b>	<b>1,942,000.00</b>	<b>13,767.98</b>	<b>69,327.07</b>	<b>555,821.02</b>	<b>69,327.07</b>	<b>625,148.09</b>	<b>1,316,851.91</b>
Subtotal	2,000,000.00	18,700.39	76,613.73	555,821.02	76,613.73	632,434.75	1,367,565.25
<b>Total Approp Status</b>	<b>2,000,000.00</b>	<b>18,700.39</b>	<b>76,613.73</b>	<b>555,821.02</b>	<b>76,613.73</b>	<b>632,434.75</b>	<b>1,367,565.25</b>

### Accrued Expenditures

Second quarter financial activity was slightly higher than first quarter activity (Table 3). As individuals progress through each of the five activities, spending will reflect increases in longevity within the program.

Total accrued expenditures for the second quarter of 2009 equal \$ 76,613.73. Of this, service related expenses total \$ 69,327.07, and \$7,286.66 in accrued expenditures for administrative costs. Our administrative expenditures reached 9.5% of our total expenditures in accordance with the grant criteria.

There remains \$1,331,822.00 in unobligated grant funds (Table 3).

## **Request for Assistance and Advice from the U.S. Department of Labor**

### ➤ **Continued Marketing**

We want DOL's assistance in determining how to best reach potential Project GATE II clients given the program's specific and narrow eligibility requirements.

### ➤ **Determination of Program Closure**

We have recently received many questions regarding when a business is considered to be "fully operational", thereby making the Project GATE II participant ineligible for services and Unemployment Insurance benefits. We have yet to solidify these criteria, and would like DOL's assistance in making this determination.

### ➤ **Service provider encouragement**

As previously mentioned, we would like DOL's assistance in determining how to best encourage currently uninvolved or disengaged service providers.

### ➤ **Grant end procedures**

We are still working to determine the point at which we will stop enrolling clients. Because we want to provide services to all eligible candidates, we may discontinue enrollment with several months remaining in the program in order to allow for completion of each activity, depending upon the determined average length of time each participant has required.

## **Conclusion**

While we eagerly await success stories, we can celebrate an incredibly positive second quarter. Nearly eighty Minnesotans have completed the two initial project GATE II activities since the beginning of the second quarter. We have experienced a slight lull in new registrants, and attribute this to a pause typical with new pilot projects. As we plan to expand marketing and community outreach, we anticipate an increase in new registrants. As the Dislocated Worker program continues to grow, we also expect more dislocated workers to take advantage of Project GATE II services.